

# House Study Bill 191 - Introduced

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
HOUSE APPROPRIATIONS  
SUBCOMMITTEE ON ECONOMIC  
DEVELOPMENT)

## A BILL FOR

1 An Act relating to and making appropriations to the department  
2 of cultural affairs, the department of economic development,  
3 certain board of regents institutions, the department of  
4 workforce development, the public employment relations  
5 board, and the Iowa finance authority, and related matters.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. DEPARTMENT OF CULTURAL AFFAIRS. There is  
2 appropriated from the general fund of the state to the  
3 department of cultural affairs for the fiscal year beginning  
4 July 1, 2011, and ending June 30, 2012, the following amounts,  
5 or so much thereof as is necessary, to be used for the purposes  
6 designated:

7 1. ADMINISTRATION

8 a. For salaries, support, maintenance, miscellaneous  
9 purposes, and for not more than the following full-time  
10 equivalent positions for the department:

11 .....	\$	171,813
12 .....	FTEs	69.87

13 b. The department of cultural affairs shall coordinate  
14 activities with the tourism office of the department of  
15 economic development to promote attendance at the state  
16 historical building and at this state's historic sites.

17 c. Full-time equivalent positions authorized under this  
18 subsection shall be funded, in full or in part, using moneys  
19 appropriated under this subsection and subsections 2, 3, 4, 5,  
20 6, and 8.

21 2. HISTORICAL DIVISION

22 For the support of the historical division:

23 .....	\$	2,267,701
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24 3. HISTORIC SITES

25 For the administration and support of historic sites:

26 .....	\$	426,398
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27 4. ARTS DIVISION

28 For the support of the arts division:

29 .....	\$	933,764
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30 5. GREAT PLACES

31 For the great places program:

32 .....	\$	150,000
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33 6. ARCHIVE IOWA GOVERNORS' RECORDS

34 For archiving the records of Iowa governors:

35 .....	\$	5,000
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1     7. RECORDS CENTER RENT

2     For payment of rent for the state records center:

3     ..... \$     227,243

4     8. BATTLE FLAGS

5     For continuation of the project recommended by the Iowa  
6 battle flag advisory committee to stabilize the condition of  
7 the battle flag collection:

8     ..... \$     5,000

9     Sec. 2. GOALS AND ACCOUNTABILITY — ECONOMIC DEVELOPMENT.

10    1. For the fiscal year beginning July 1, 2011, the goals for  
11 the department of economic development shall be to expand and  
12 stimulate the state economy, increase the wealth of Iowans, and  
13 increase the population of the state.

14    2. To achieve the goals in subsection 1, the department  
15 of economic development shall do all of the following for the  
16 fiscal year beginning July 1, 2011:

17    a. Concentrate its efforts on programs and activities that  
18 result in commercially viable products and services.

19    b. Adopt practices and services consistent with free  
20 market, private sector philosophies.

21    c. Ensure economic growth and development throughout the  
22 state.

23    d. Work with businesses and communities to continually  
24 improve the economic development climate along with the  
25 economic well-being and quality of life for Iowans.

26    e. Coordinate with other state agencies to ensure that they  
27 are attentive to the needs of an entrepreneurial culture.

28    f. Establish a strong and aggressive marketing image to  
29 showcase Iowa's workforce, existing industry, and potential.

30 A priority shall be placed on recruiting new businesses,  
31 business expansion, and retaining existing Iowa businesses.

32 Emphasis shall be placed on entrepreneurial development through  
33 helping entrepreneurs secure capital, and developing networks

34 and a business climate conducive to entrepreneurs and small  
35 businesses.

1 g. Encourage the development of communities and quality of  
2 life to foster economic growth.

3 h. Prepare communities for future growth and development  
4 through development, expansion, and modernization of  
5 infrastructure.

6 i. Develop public-private partnerships with Iowa businesses  
7 in the tourism industry, Iowa tour groups, Iowa tourism  
8 organizations, and political subdivisions in this state to  
9 assist in the development of advertising efforts.

10 j. Develop, to the fullest extent possible, cooperative  
11 efforts for advertising with contributions from other sources.

12 Sec. 3. DEPARTMENT OF ECONOMIC DEVELOPMENT.

13 1. APPROPRIATION

14 There is appropriated from the general fund of the state  
15 to the department of economic development for the fiscal year  
16 beginning July 1, 2011, and ending June 30, 2012, the following  
17 amounts, or so much thereof as is necessary, to be used for the  
18 purposes designated in subsection 2, and for not more than the  
19 following full-time equivalent positions:

20 .....	\$ 9,928,058
21 .....	FTEs 149.00

22 2. DESIGNATED PURPOSES

23 a. For salaries, support, miscellaneous purposes, programs,  
24 and the maintenance of an administration division, a business  
25 development division, and a community development division.

26 b. The full-time equivalent positions authorized under this  
27 section shall be funded, in whole or in part, by the moneys  
28 appropriated under subsection 1 or by other moneys received by  
29 the department, including certain federal moneys.

30 c. For transfer to the Iowa state commission grant program.

31 d. For business development operations and programs, the  
32 film office, international trade, export assistance, workforce  
33 recruitment, and the partner state program.

34 e. For transfer to the strategic investment fund.

35 f. For transfer to the grow Iowa values fund.

1 g. For community economic development programs, tourism  
2 operations, community assistance, plans for Iowa green corps  
3 and summer youth programs, the mainstreet and rural mainstreet  
4 programs, the school-to-career program, the community  
5 development block grant, and housing and shelter-related  
6 programs.

7 h. For achieving the goals and accountability, fulfilling  
8 the requirements, and doing all other things required under  
9 this bill.

10 3. NONREVERSION

11 Notwithstanding section 8.33, moneys appropriated in  
12 subsection 1 that remain unencumbered or unobligated at the  
13 close of the fiscal year shall not revert but shall remain  
14 available for expenditure for the purposes designated in  
15 subsection 2 until the close of the succeeding fiscal year.

16 4. FINANCIAL ASSISTANCE RESTRICTIONS

17 a. A business creating jobs with economic development  
18 assistance through moneys appropriated in this section shall be  
19 subject to contract provisions stating that new and retained  
20 jobs shall be filled by individuals who are citizens of the  
21 United States who reside within the United States or any person  
22 authorized to work in the United States pursuant to federal  
23 law, including legal resident aliens in the United States.

24 b. Any vendor who receives such public moneys shall adhere  
25 to such contract provisions and provide periodic assurances  
26 as the state shall require that the jobs are filled solely by  
27 citizens of the United States who reside within the United  
28 States or any person authorized to work in the United States  
29 pursuant to federal law, including legal resident aliens in the  
30 United States.

31 c. A business that receives financial assistance from  
32 the department from moneys appropriated in this bill shall  
33 only employ individuals legally authorized to work in this  
34 state. In addition to all other applicable penalties provided  
35 by current law, all or a portion of the assistance received

1 by a business which is found to knowingly employ individuals  
2 not legally authorized to work in this state is subject to  
3 recapture by the department.

4 5. USES OF APPROPRIATIONS

5 a. From the moneys appropriated in this section, the  
6 department may provide financial assistance in the form of a  
7 grant to a community economic development entity for conducting  
8 a local workforce recruitment effort designed to recruit former  
9 citizens of the state and former students at colleges and  
10 universities in the state to meet the needs of local employers.

11 b. From the moneys appropriated in this section, the  
12 department may provide financial assistance to early stage  
13 industry companies being established by women entrepreneurs.

14 c. From the moneys appropriated in this section, the  
15 department may provide financial assistance in the form of  
16 grants, loans, or forgivable loans for advanced research and  
17 commercialization projects involving value-added agriculture,  
18 advanced technology, or biotechnology.

19 6. WORLD FOOD PRIZE AWARD

20 a. Notwithstanding the standing limited appropriation  
21 provided under section 15.368, subsection 1, an appropriation  
22 from the general fund of the state to the department of  
23 economic development for the fiscal year beginning July 1,  
24 2011, and ending June 30, 2012, shall not be made for purposes  
25 of the world food prize.

26 b. It is the intent of the general assembly to reconsider in  
27 a future fiscal year the allocation of moneys for the support  
28 of the world food prize award.

29 Sec. 4. VISION IOWA PROGRAM — FTE AUTHORIZATION. For  
30 purposes of administrative duties associated with the vision  
31 Iowa program, the department of economic development is  
32 authorized an additional 2.25 FTEs above those otherwise  
33 authorized in this Act.

34 Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. From the moneys  
35 collected by the division of insurance in excess of the

1 anticipated gross revenues under section 505.7, subsection 3,  
2 during the fiscal year beginning July 1, 2011, \$100,000 shall  
3 be transferred to the department of economic development for  
4 insurance economic development and international insurance  
5 economic development.

6 Sec. 6. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding  
7 section 15E.120, subsection 5, there is appropriated from the  
8 Iowa community development loan fund all moneys available  
9 during the fiscal year beginning July 1, 2011, and ending  
10 June 30, 2012, to the department of economic development for  
11 purposes of the community development program.

12 Sec. 7. WORKFORCE DEVELOPMENT FUND. There is appropriated  
13 from the workforce development fund account created in section  
14 15.342A to the workforce development fund created in section  
15 15.343 for the fiscal year beginning July 1, 2011, and ending  
16 June 30, 2012, the following amount, for purposes of the  
17 workforce development fund, and for not more than the following  
18 full-time equivalent positions:

19 .....	\$	4,000,000
20 .....	FTEs	4.00

21 Sec. 8. WORKFORCE DEVELOPMENT ADMINISTRATION. From moneys  
22 appropriated or transferred to or receipts credited to the  
23 workforce development fund created in section 15.343, up to  
24 \$400,000 for the fiscal year beginning July 1, 2011, and ending  
25 June 30, 2012, are appropriated to the department of economic  
26 development for the administration of workforce development  
27 activities including salaries, support, maintenance, and  
28 miscellaneous purposes, and for not more than the following  
29 full-time equivalent positions:

30 .....	FTEs	4.00
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31 Sec. 9. JOB TRAINING FUND. Notwithstanding section 15.251,  
32 all moneys in the job training fund on July 1, 2011, and any  
33 moneys appropriated or credited to the fund during the fiscal  
34 year beginning July 1, 2011, shall be transferred to the  
35 workforce development fund established pursuant to section

1 15.343.

2 Sec. 10. IOWA STATE UNIVERSITY.

3 1. There is appropriated from the general fund of the state  
4 to Iowa state university of science and technology for the  
5 fiscal year beginning July 1, 2011, and ending June 30, 2012,  
6 the following amount, or so much thereof as is necessary, to  
7 be used for small business development centers, the science  
8 and technology research park, and the institute for physical  
9 research and technology, and for not more than the following  
10 full-time equivalent positions:

11 .....	\$	935,233
12 .....	FTEs	56.63

13 2. Of the moneys appropriated in subsection 1, Iowa state  
14 university of science and technology shall allocate at least  
15 \$935,233 for purposes of funding small business development  
16 centers.

17 3. Iowa state university of science and technology shall do  
18 all of the following:

19 a. Direct expenditures for research toward projects that  
20 will provide economic stimulus for Iowa.

21 b. Provide emphasis to providing services to Iowa-based  
22 companies.

23 4. a. It is the intent of the general assembly that  
24 the industrial incentive program focus on Iowa industrial  
25 sectors and seek contributions and in-kind donations from  
26 businesses, industrial foundations, and trade associations,  
27 and that moneys for the institute for physical research and  
28 technology industrial incentive program shall be allocated  
29 only for projects which are matched by private sector moneys  
30 for directed contract research or for nondirected research.  
31 The match required of small businesses as defined in section  
32 15.102, subsection 6, for directed contract research or for  
33 nondirected research shall be \$1 for each \$3 of state funds.  
34 The match required for other businesses for directed contract  
35 research or for nondirected research shall be \$1 for each \$1 of

1 state funds. The match required of industrial foundations or  
2 trade associations shall be \$1 for each \$1 of state funds.

3 b. Iowa state university of science and technology shall  
4 report annually to the joint appropriations subcommittee on  
5 economic development and the legislative services agency the  
6 total amount of private contributions, the proportion of  
7 contributions from small businesses and other businesses, and  
8 the proportion for directed contract research and nondirected  
9 research of benefit to Iowa businesses and industrial sectors.

10 5. Notwithstanding section 8.33, moneys appropriated in  
11 this section that remain unencumbered or unobligated at the  
12 close of the fiscal year shall not revert but shall remain  
13 available for expenditure for the purposes designated until the  
14 close of the succeeding fiscal year.

15 Sec. 11. UNIVERSITY OF NORTHERN IOWA.

16 1. There is appropriated from the general fund of the  
17 state to the university of northern Iowa for the fiscal year  
18 beginning July 1, 2011, and ending June 30, 2012, the following  
19 amount, or so much thereof as is necessary, to be used for the  
20 MyEntreNet internet application, including salaries, support,  
21 maintenance, miscellaneous purposes, and for not more than the  
22 following full-time equivalent positions:

23 .....	\$	273,064
24 .....	FTEs	3.06

25 2. The university of northern Iowa shall do all of the  
26 following:

27 a. Direct expenditures for research toward projects that  
28 will provide economic stimulus for Iowa.

29 b. Provide emphasis to providing services to Iowa-based  
30 companies.

31 3. Notwithstanding section 8.33, moneys appropriated in  
32 this section that remain unencumbered or unobligated at the  
33 close of the fiscal year shall not revert but shall remain  
34 available for expenditure for the purposes designated until the  
35 close of the succeeding fiscal year.

1     Sec. 12. BOARD OF REGENTS REPORT. By January 15, 2012, the  
2 state board of regents shall submit a report on the progress  
3 of regents institutions in meeting the strategic plan for  
4 technology transfer and economic development to the secretary  
5 of the senate, the chief clerk of the house of representatives,  
6 and the legislative services agency.

7     Sec. 13. DEPARTMENT OF WORKFORCE DEVELOPMENT. There  
8 is appropriated from the general fund of the state to the  
9 department of workforce development for the fiscal year  
10 beginning July 1, 2011, and ending June 30, 2012, the following  
11 amounts, or so much thereof as is necessary, for the purposes  
12 designated:

13     1. DIVISION OF LABOR SERVICES

14     a. For the division of labor services, including salaries,  
15 support, maintenance, miscellaneous purposes, and for not more  
16 than the following full-time equivalent positions:

17 .....	\$	3,495,440
18 .....	FTEs	62.75

19     b. From the contractor registration fees, the division of  
20 labor services shall reimburse the department of inspections  
21 and appeals for all costs associated with hearings under  
22 chapter 91C, relating to contractor registration.

23     2. DIVISION OF WORKERS' COMPENSATION

24     a. For the division of workers' compensation, including  
25 salaries, support, maintenance, miscellaneous purposes, and for  
26 not more than the following full-time equivalent positions:

27 .....	\$	2,267,788
28 .....	FTEs	29.00

29     b. The division of workers' compensation shall charge a  
30 \$100 filing fee for workers' compensation cases. The filing  
31 fee shall be paid by the petitioner of a claim. However, the  
32 fee can be taxed as a cost and paid by the losing party, except  
33 in cases where it would impose an undue hardship or be unjust  
34 under the circumstances. The moneys generated by the filing  
35 fee allowed under this subsection are appropriated to the

1 department of workforce development to be used for purposes of  
2 administering the division of workers' compensation.

3 3. WORKFORCE DEVELOPMENT OPERATIONS

4 a. For the operation of field offices, the workforce  
5 development board, and for not more than the following  
6 full-time equivalent positions:

7 .....	\$	9,707,042
8 .....	FTEs	130.00

9 b. The department shall not reduce the number of field  
10 offices being operated as of January 1, 2009.

11 4. OFFENDER REENTRY PROGRAM

12 a. For the development and administration of an offender  
13 reentry program to provide offenders with employment skills,  
14 and for not more than the following full-time equivalent  
15 positions:

16 .....	\$	284,464
17 .....	FTEs	3.00

18 b. The department shall partner with the department of  
19 corrections to provide staff within the correctional facilities  
20 to improve offenders' abilities to find and retain productive  
21 employment.

22 5. Notwithstanding section 8.33, moneys appropriated in  
23 this section that remain unencumbered or unobligated at the  
24 close of the fiscal year shall not revert but shall remain  
25 available for expenditure for the purposes designated until the  
26 close of the succeeding fiscal year.

27 Sec. 14. ACCOUNTABILITY — AUDIT. The auditor of state  
28 shall annually conduct an audit of the department of workforce  
29 development and shall report the findings of such annual  
30 audit, including the accountability of programs of the  
31 department, to the chairpersons and ranking members of the  
32 joint appropriations subcommittee on economic development. The  
33 department shall pay for the costs associated with the audit.

34 Sec. 15. EMPLOYMENT SECURITY CONTINGENCY FUND — DIVISION  
35 OF WORKERS' COMPENSATION.

1 1. There is appropriated from the special employment  
 2 security contingency fund to the department of workforce  
 3 development for the fiscal year beginning July 1, 2011, and  
 4 ending June 30, 2012, the following amount, or so much thereof  
 5 as is necessary, for the division of workers' compensation,  
 6 salaries, support, maintenance, and miscellaneous purposes:  
 7 ..... \$ 471,000

8 2. Any remaining additional penalty and interest revenue  
 9 is appropriated to the department of workforce development to  
 10 accomplish the mission of the department.

11 Sec. 16. SPECIAL EMPLOYMENT SECURITY CONTINGENCY FUND  
 12 — FIELD OFFICES. There is appropriated from the special  
 13 employment security contingency fund to the department of  
 14 workforce development for the fiscal year beginning July 1,  
 15 2011, and ending June 30, 2012, the following amount, or so  
 16 much thereof as is necessary, to be used for field offices:  
 17 ..... \$ 662,427

18 Sec. 17. UNEMPLOYMENT COMPENSATION RESERVE FUND —  
 19 FIELD OFFICES. Notwithstanding section 96.9, subsection 8,  
 20 paragraph "e", there is appropriated from interest earned on  
 21 the unemployment compensation reserve fund to the department  
 22 of workforce development for the fiscal year beginning July 1,  
 23 2011, and ending June 30, 2012, the following amount or so much  
 24 thereof as is necessary, for the operation of field offices:  
 25 ..... \$ 6,500,000

26 Sec. 18. GENERAL FUND — EMPLOYEE MISCLASSIFICATION  
 27 PROGRAM. There is appropriated from the general fund of the  
 28 state to the department of workforce development for the  
 29 fiscal year beginning July 1, 2011, and ending June 30, 2012,  
 30 the following amount, or so much thereof as is necessary,  
 31 to be used for enhancing efforts to investigate employers  
 32 that misclassify workers and for not more than the following  
 33 full-time equivalent positions:  
 34 ..... \$ 451,458  
 35 ..... FTEs 8.10

1     Sec. 19. PUBLIC EMPLOYMENT RELATIONS BOARD.

2     1. There is appropriated from the general fund of the state  
3 to the public employment relations board for the fiscal year  
4 beginning July 1, 2011, and ending June 30, 2012, the following  
5 amount, or so much thereof as is necessary, for salaries,  
6 support, maintenance, miscellaneous purposes, and for not more  
7 than the following full-time equivalent positions:

8 .....	\$	1,057,871
9 .....	FTEs	9.00

10    2. Of the moneys appropriated in this section, the board  
11 shall allocate \$15,000 for maintaining a website that allows  
12 searchable access to a database of collective bargaining  
13 information.

14    Sec. 20. IOWA FINANCE AUTHORITY AUDIT. The auditor of state  
15 is requested to review the audit of the Iowa finance authority  
16 performed by the auditor hired by the authority.

17    Sec. 21. UNEMPLOYMENT COMPENSATION PROGRAM. Notwithstanding  
18 section 96.9, subsection 4, paragraph "a", moneys credited to  
19 the state by the secretary of the treasury of the United  
20 States pursuant to section 903 of the Social Security  
21 Act are appropriated to the department of workforce  
22 development and shall be used by the department for the  
23 administration of the unemployment compensation program only.  
24 This appropriation shall not apply to any fiscal year  
25 beginning after December 31, 2011.

26    Sec. 22. IOWA FINANCE AUTHORITY.

27    1. There is appropriated from the general fund of the state  
28 to the Iowa finance authority for the fiscal year beginning  
29 July 1, 2011, and ending June 30, 2012, the following amount,  
30 or so much thereof as is necessary, to be used for the rent  
31 subsidy program, to provide reimbursement for rent expenses to  
32 eligible persons:

33 .....	\$	658,000
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34    2. Participation in the rent subsidy program shall be  
35 limited to only those persons who meet the requirements for the

1 nursing facility level of care for home and community-based  
2 services waiver services as in effect on July 1, 2010, and  
3 to those individuals who are eligible for the federal money  
4 follows the person grant program under the medical assistance  
5 program. Of the moneys appropriated in this section, not more  
6 than \$35,000 may be used for administrative costs.

7

EXPLANATION

8 This bill makes appropriations and transfers from the  
9 general fund of the state and other funds to the department  
10 of cultural affairs, the department of economic development,  
11 the university of northern Iowa, Iowa state university, the  
12 department of workforce development, the public employment  
13 relations board, and the Iowa finance authority for the  
14 2011-2012 fiscal year.

15 The bill provides, among other things, that the goals for  
16 the department of economic development shall be to expand and  
17 stimulate the state economy, increase the wealth of Iowans, and  
18 increase the population of the state.

19 The bill transfers moneys collected by the division of  
20 insurance in excess of the anticipated gross revenues to the  
21 department of economic development for purposes of insurance  
22 economic development and international insurance economic  
23 development.

24 The bill appropriates moneys from the Iowa community  
25 development loan fund to the department of economic development  
26 for purposes of the community development program.

27 The bill appropriates moneys from the workforce development  
28 fund account to the workforce development fund.

29 The bill provides that moneys appropriated or transferred  
30 to or receipts credited to the workforce development fund are  
31 appropriated to the department of economic development for  
32 administration of workforce development activities.

33 The bill provides that all moneys in the job training fund on  
34 July 1, 2011, and any moneys appropriated or credited to the  
35 fund during the fiscal year beginning July 1, 2011, shall be

1 transferred to the workforce development fund.

2 The bill requires the state board of regents to submit a  
3 report on the progress of regents institutions in meeting  
4 the strategic plan for technology transfer and economic  
5 development.

6 The bill requires the auditor of state to conduct an audit of  
7 the department of workforce development.

8 The bill appropriates moneys from the special employment  
9 security contingency fund to the department of workforce  
10 development for the division of workers' compensation and for  
11 the operation of field offices.

12 The bill appropriates interest earned on the unemployment  
13 compensation reserve fund to the department of workforce  
14 development for the operation of field offices.

15 The bill appropriates moneys to the department of workforce  
16 development for an employee misclassification program.

17 The bill requests the auditor of state to review the audit  
18 of the Iowa finance authority performed by the auditor hired  
19 by the authority.

20 The bill appropriates moneys from moneys credited to  
21 the state by the secretary of the treasury of the United  
22 States pursuant to the Social Security Act to the department  
23 of workforce development for the administration of the  
24 unemployment compensation program only.

25 The bill appropriates moneys to the Iowa finance authority  
26 for purposes of the rent subsidy program.